



Property Casualty Insurers
Association of America

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STATEMENT

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

S.B. No. 318 - AN ACT CONCERNING SINGLE LIMIT AUTOMOBILE INSURANCE POLICIES

COMMITTEE ON INSURANCE AND REAL ESTATE

March 8, 2012

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on SB 318, which would prohibit automobile insurance policies from being issued in Connecticut with a single limit of liability for personal injury or death and property damage. Our comments are provided on behalf of the member companies of PCI, a national property casualty trade association with over 1,000 member companies. PCI member companies provide 53 percent of Connecticut's personal auto insurance coverage.

PCI is opposed to this legislation because it will unnecessarily limit consumer choice. Consumers benefit most when they are able to choose from an array of insurance options to arrive at the policy which best meets their individual needs. Combined single limit policies may be preferred by some consumers because the policies have greater flexibility and can provide more overall coverage and better protection for the insured under certain circumstances. For example, if an insured has an accident with a serious injury, but limited physical damage, then the insured will have more coverage available for the serious injury claim with a combined single limits policy. The bottom line is that under certain circumstances having a combined single limit policy can be advantageous and the consumer should be able to have the option of purchasing such a policy if that type of coverage best suits their insurance needs.

Combined single limit policies are a widely available option for consumers in other states and we are not aware of any other states that have enacted laws prohibiting consumers from having combined single limit policies available as an option to consider when making choices about insurance coverage. PCI is also unaware of any problems or complaints relative to this coverage which would merit its prohibition.

Finally, it should be noted that if this bill were enacted, it would be disruptive both for consumers and insurers. Connecticut residents who have chosen a combined single limit policy would need to be notified that these policies are no longer permissible in Connecticut and they would have to change their insurance plan to secure a policy which would compliant with this law. Insurers would be required to make the necessary changes to their policies along with making new filings with the

Insurance Department. These additional unnecessary compliance burdens would likely add costs to auto insurance which would be reflected in premium.

For the foregoing reasons, PCI urges your Committee to not favorably advance SB 318.